

SENATE BILL REPORT

SSB 6438

As Passed Senate, February 13, 2018

Title: An act relating to clarifying the collection process for existing vehicle service transactions.

Brief Description: Clarifying the collection process for existing vehicle service transactions.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators King, Palumbo and Hobbs).

Brief History:

Committee Activity: Transportation: 1/29/18, 1/31/18 [DPS].

Floor Activity:

Passed Senate: 2/13/18, 47-0.

Brief Summary of First Substitute Bill

- Allows the Department of Licensing (DOL), county auditor or other agent, or subagent to collect service fees for both a title and certain non-title transaction when these are completed at the same time.
- Clarifies the title transaction and certain non-title transaction service fees are collected in addition to all other fees and taxes required at application.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6438 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Chase, Cleveland, Dhingra, Fortunato, McCoy, Takko, Wellman and Zeiger.

Staff: Bryon Moore (786-7726)

Background: DOL, a county auditor or other agent, or subagent appointed by the DOL director collects a service fee of:

- \$12 for changes in a certificate of vehicle title, with or without simultaneous registration renewal, or for verification of record and preparation of an affidavit of lost title; and

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- \$5 for a registration renewal, issuing a transit permit, accepting a vessel registration, accepting a report of sale, and accepting a transitional ownership record.

The service fees collected by DOL, a county auditor, or other agent appointed by the DOL director must be deposited into the Capital Vessel Replacement Account. The service fees collected by subagents are self-retained.

When the ownership of a vehicle changes, a new registration is required by the new vehicle owner. Exceptions to this include:

- when adding or removing a lienholder from the certificate of title;
- when transferring the vehicle from one spouse or domestic partner to another;
- when removing a deceased spouse or domestic partner from the certificate of title;
- when transferring the vehicle as a gift to a member of the registered owner's immediate family;
- when a leaseholder buys out the leased vehicle; or
- when a person changes their name.

Along with most title transactions required for a change of vehicle ownership, a new registration is required as well.

Summary of First Substitute Bill: DOL, a county auditor or other agent, or subagent appointed by the DOL director can collect a total service fee of \$17 when a title transaction and a registration transaction are conducted simultaneously—\$12 for the title transaction plus \$5 for the registration transaction. Language is provided to clarify that service fees are collected in addition to any other taxes and fees due at the time of application for a title transaction or a registration transaction.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on April 1, 2019.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This corrects an error from earlier legislation. Since most titles also involve registrations, subagents and the state have been losing revenue. The change proposed in the legislation will not impact the amount someone sees on their vehicle renewal notice in the mail. While a fee increase is still needed to support subagents, this bill takes a step forward to support these small businesses and compensate them for lost revenues experienced in recent years.

Persons Testifying: PRO: Senator Curtis King, Prime Sponsor; Chester Baldwin, Washington Association of Vehicle Subagents; Corry Cavin, Washington Association of Vehicle Subagents; Shane Cox, Washington Association of Vehicle Subagents; Kevin David, Washington Association of Vehicle Subagents; Thad Duvall, Washington State Association of County Auditors.

Persons Signed In To Testify But Not Testifying: No one.